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SUMMARY

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	GENERAL
25X1Å.	Viet Minh pressing claims in Laos and Cambodia:
	A Laotian delegate at Geneva reports the French-Laotian military staff talks with the Viet Minh are at an impasse over Viet Minh insistence that the Laos government recognize and negotiate with the Communist-sponsored "Pathet Lao" movement. He says the French have suggested that Laos accept the Viet Minh proposal for "Pathet Lao regroupment areas" within the country.
	A Cambodian delegate says the Viet Minh has refused to discuss seriously the withdrawal of Communist troops. The Viet Minh has also persistently sought to inject political questions into the Cambodian-Viet Minh military talks.
	<u>Comment</u> : These reports confirm earlier indications that the Communists are seeking a settlement involving Communist control of some part of Laos and some form of recognition of the "resistance movement" in Cambodia.
	The Laotian government is reported to be split on the question of whether to recognize "Pathet Lao." The Cambodian government is believed to be standing firm in demanding withdrawal of Viet Minh forces. Representatives of both governments have expressed a desire for direct American support.
	SOUTHEAST ASIA
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23/1/4	Chinese arms shipments to the Viet Minh between 8 May and 8 July indicate that the capabilities of Ho Chi Minh's forces for a possible delta attack have been signif-

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icantly strengthened since the fall of Dien Bien Phu. The receipt of 50 105mm howitzers is believed to have nearly tripled the enemy's strength in that weapon.

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In addition, China has supplied six multi-barreled rocket launchers--bringing the enemy's total to possibly 18--and 22 75mm mountain guns, 376 mortars, many recoilless weapons including bazookas, over 200 machineguns, 1,800 submachine guns, and large quantities of various types of ammunition.

This increase in Viet Minh firepower augments that received during the Dien Bien Phu campaign and indicates a Chinese intention to support a possible major assault.

25X1Å	French seen withdrawing from Tonkin in near future:
	According to information received by the
	American army attaché, French thinking
	in Saigon is "keyed to the departure" of
	French forces from the Tonkin delta in
	the near future. The "word from Trung
	Gia," the site of current French-Viet Minh military negotiations,
	is that the French are discussing conditions granting them uncon-
	tested passage from the delta once a cease-fire is agreed on.

According to the attaché, General Ely has been 'less than candid' with General O'Daniel on French intentions.

The attaché believes that if a cease-fire is not achieved and the French decide to fight for Haiphong, the "limiting factor" might be the inadequate fresh water supply in that city. The Viet Minh recently destroyed a reservoir and purification plant, thereby cutting the city's daily water supply by three quarters; the Viet Minh claims it is able to cut off the entire supply.

Comment: Several reports have indicated that the French intend to withdraw from all of Tonkin within the next several months, regardless of a cease-fire agreement. In any case, it would appear that Haiphong would be held only long enough to permit withdrawal of French and Vietnamese forces.